

# REVISED AGENCY ESTIMATE

OF THE FISCAL IMPACT OF IMPLEMENTING

## S.B. 60 2011 General Session

### Pilot Accountability Permit Program and Identity Related Amendments

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#### A. Short Form (For bills that have no impact on the state, local governments, businesses, or individuals.)

If you can check all five boxes to the right, you're almost done. If the bill obviously doesn't have an impact, you're done.

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/>            | State agencies will not require an appropriation to implement the bill. |
| <input checked="" type="checkbox"/> | There is no fiscal impact on local governments.                         |
| <input checked="" type="checkbox"/> | There is no fiscal impact on businesses.                                |
| <input type="checkbox"/>            | There is no fiscal impact on individuals.                               |
| <input type="checkbox"/>            | The bill will not affect revenues.                                      |

If it isn't so obvious, explain what's going on. The most usual explanation is the codification of existing practices.

If necessary, explain why this bill has no fiscal impact.

Attachments welcome.

#### B. What parts of the bill cause fiscal impact?

Cite specific sections or line numbers.

Lines 557 thru 585

#### C. Which program gets the appropriation?

Enter 3 letter Appropriation Unit Code.

#### For multiple appropriations

This is  of

#### D. Work Notes: Assumptions, calculations & what are we buying?

Explain the fiscal impact in plain English, detailing your assumptions, methods, & calculations.

List all direct costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what this \$50,000 will buy.

Attachments encouraged.

In the initial year of the program beginning at the time the Governor obtains the necessary waivers, the implementation of S.B. 60 will require a State appropriation for the Utah State Office of Education and related Adult Education programs in School Districts and community organizations of approximately \$700,000 to \$3.2 million, including 3.0 FTEs, depending on the number of proficiency tests that are projected to be administered in the first year. It is recommended that the appropriation be made in the Adult Education line item, and that the line item remain separate from the Above the Line MSP calculation to insure the Program costs can be tracked separately. Note that this appropriation is to cover fixed set up and implementation costs, not variable testing costs which would begin to be recovered through testing fees once actual testing begins. - PART D. CONTINUED BELOW

#### E. REVENUES

Select Fund

Current Budget Year  
FY 2011

Coming Budget Year  
FY 2012

Future Budget Year  
FY 2013

Uniform School Fund



150,000

<b>Total</b>	0	0	150,000

## F. COSTS by FUND

Select Fund	Current Budget Year FY 2011	Coming Budget Year FY 2012	Future Budget Year FY 2013
Uniform School Fund		707,153	507,778
<b>Total</b>	0	707,153	507,778

## G. COSTS by EXPENDITURE CATEGORY.

Expenses by Category	Current Budget Year FY 2011	Coming Budget Year FY 2012	Future Budget Year FY 2013
Personal Services		332,778	332,778
Travel			
Current Expense		374,375	175,000
DP Current Expense			
DP Capital Outlay			
Capital Outlay			
Other/Pass Thru			
<b>Total</b>	0	707,153	507,778

## H. Non-State Impacts

Your estimate of how will the bill affect:

### Local Governments

Certain School Districts and other community organizations provide the Alternative, Adult Education and GED Testing Services Program run through the State Office of Education. They would provide much of the infrastructure for this new testing program.

### Businesses

### Individuals

Individuals who wish to obtain Permit A or Permit B will be required to pay for the costs of 160 hours of aggregate training and any testing costs.

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This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

Attachments welcome.

PART D. CONTINUED - The start up and implementation costs must be expended initially to make the program available before any fees can be collected for testing. It is possible that some of the appropriation could be recovered in the initial year if there is enough demand for proficiency tests to generate enough fee revenue to do so. However, if there is not enough proficiency testing demand, at least a portion of the fixed costs would be expended with no resulting appropriation recovery. In subsequent years of the program, much of the appropriation could be recaptured through add on fees as the USOE will have a much better indication of demand, fee schedules necessary for full cost recovery, and necessary infrastructure to service that demand. See the attached projection indicating different funding levels based on actual program testing demand. The projected appropriation is based on the ability to use the existing infrastructure available in the Alternative, Adult Education and GED Testing Services Program run through the USOE, School Districts, and community organizations. If that program is eliminated, this fiscal note must be revised to reflect an increased appropriation to provide the additional infrastructure necessary to run the Pilot Accountability Permit Program.

<b>S.B. 60 - PILOT ACCOUNTABILITY PERMIT PROGRAM AND IDENTITY RELATED AMENDMENTS</b>								
<b>Assumption Descriptions</b>	<b>Assumptions</b>	<b>Used in Note</b>	<b>Projections Based on Number of Total Tests Administered</b>					
Approximate number of undocumented workers in Utah - 2009 estimate	110,000							
<b>Number of total tests (English and Civics) on an annual basis</b>			<b>10,000</b>	<b>20,000</b>	<b>40,000</b>	<b>60,000</b>	<b>80,000</b>	<b>100,000</b>
Estimated time for English test in hours on an annual basis (assumption is single test)	2		10,000	20,000	40,000	60,000	80,000	100,000
Estimated time for civics & government test in hours on an annual basis (assumption is single test)	2		10,000	20,000	40,000	60,000	80,000	100,000
Total number of annual testing hours			20,000	40,000	80,000	120,000	160,000	200,000
Estimated number of daily tests (assumption is days available for testing on an annual basis)	240		83	167	333	500	667	833
Estimated number of required testing facilities (assumption is # of tests for one facility for one day)	20		4	8	17	25	33	42
Estimated number of tests that can be administered by a single coordinator in one sitting	1							
<b>Program Start Up Costs</b>								
Rule Drafting and Processing	\$10,000		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Hourly estimate - multiple staff members	\$500							
Total number of hours	20							
Procurement Process to contract with School Districts or Third Party Administrators for Adult Testing	\$7,500		\$31,250	\$62,500	\$125,000	\$187,500	\$250,000	\$312,500
Minimum projected cost in contract(s) to coordinate and set up an online test scheduling system	\$90,000		\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Minimum projected cost in contract(s) to arrange for Adult testing facilities (room rental)	\$3,000		\$12,500	\$25,000	\$50,000	\$75,000	\$100,000	\$125,000
Minimum projected cost to establish a database of test history and outcomes, and record retention	\$50,000		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Minimum projected cost in contract(s) to set up Adult testing facilities (equipment)	\$13,500		\$5,625	\$11,250	\$22,500	\$33,750	\$45,000	\$56,250
Computers	\$1,000		\$4,167	\$8,333	\$16,667	\$25,000	\$33,333	\$41,667
Desks	\$200		\$833	\$1,667	\$3,333	\$5,000	\$6,667	\$8,333
Other items	\$150		\$625	\$1,250	\$2,500	\$3,750	\$5,000	\$6,250
<b>Ongoing Program Costs</b>								
Program Coordinator - Adult Testing, and Minor Testing Documentation Coordinator	\$148,889		\$148,889	\$148,889	\$148,889	\$148,889	\$148,889	\$148,889
Program Coordinator - Civics and Government Proficiency Testing for Adults and Minors	\$148,889		\$148,889	\$148,889	\$148,889	\$148,889	\$148,889	\$148,889
Additional Administrative Costs and Expenses	\$35,000		\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Projected minimum cost in contract to maintain Adult testing facilities (room rental)	\$3,500		\$175,000	\$350,000	\$700,000	\$1,050,000	\$1,400,000	\$1,750,000
<b>State Appropriation - Annualized Fixed Costs in First Year of S.B. 60</b>			<b>\$707,153</b>	<b>\$931,528</b>	<b>\$1,380,278</b>	<b>\$1,829,028</b>	<b>\$2,277,778</b>	<b>\$2,726,528</b>
Annualized Fixed Costs in subsequent years of S.B. 60			\$507,778	\$682,778	\$1,032,778	\$1,382,778	\$1,732,778	\$2,082,778
Potential program cost recovery in subsequent years from incremental add on fee for admin (assumption is per test)	\$15		(\$150,000)	(\$300,000)	(\$600,000)	(\$900,000)	(\$1,200,000)	(\$1,500,000)
<b>Ongoing State Appropriation - Net annualized fixed costs in subsequent years net of potential revenue</b>			<b>\$357,778</b>	<b>\$382,778</b>	<b>\$432,778</b>	<b>\$482,778</b>	<b>\$532,778</b>	<b>\$582,778</b>